

Frequently Asked Questions

The Limousine, Taxicab, and Transportation Network Company Act Public Act 345 of 2016 Effective March 21, 2017

What is the Limousine, Taxicab, and Transportation Network Company Act?

- The law establishes regulations for limousines, taxicabs, and transportation network companies, such as Uber and Lyft, to operate in Michigan.
- To operate in Michigan, limousine carriers, taxicab carriers, or TNCs must be registered with the Department of Licensing and Regulatory Affairs (LARA).

What are the new requirements?

- Businesses must annually conduct criminal background checks and obtain driving records from employees and applicants.
- Vehicles five years old or older that are used by a limousine, taxicab carrier or TNC driver must be annually inspected by a licensed mechanic.
- Vehicles must have consistent and distinctive signage/emblem (approved by LARA) that must be readable, reflective and clearly identify the limousine, taxicab or TNC.
- There is a zero-tolerance policy for drivers who use drugs or alcohol while operating a vehicle to provide rides for passengers.
- Drivers must notify passengers of their company's nondiscrimination policy with regard to passengers and potential passengers.

What is a transportation network company (TNC)?

Under the law it is defined as a person operating in Michigan that uses a digital network to connect TNC riders to TNC drivers who provide TNC prearranged rides.

What doesn't a TNC include?

- A taxi service.
- Transportation service through a transportation broker.
- Ridesharing agreement.
- Transportation service using fixed routes at regular intervals.

What is a TNC driver?"

Under the law it means an individual who satisfies all of the following:

- Receives connections to potential passengers and related services from a transportation network company in exchange for a payment of a fee to the transportation network company
- Uses a personal vehicle to offer or provide transportation network company prearranged rides to transportation network company riders upon connection through
- A digital network controlled by a transportation network company in return for compensation or payment of a fee

When can I register with LARA?

- On, or after, March 21, 2017.
- The application for registration will be available online prior to March 21; a paper application (on a form provided by LARA) will also be available.

What are the different registrations I can apply for?

- Limousine carrier
- Taxicab carrier
- Transportation network company

What documents must I include with my application for registration?

- The type of business entity documents (articles of organization, certificate of incorporation, partnership, certificate of assumed name);
- Proof of insurance requirements;
- Relevant articles -- if a foreign entity, a Certificate of Authority authorized to do business in Michigan, or;
- If registered at the county level, a copy of its certificate of conducting business under an assumed name or certificate of co-partnership;
- Applicant contact information;
- The number of vehicles the applicant operates;
- If applicable, proof the applicant has satisfied any disciplinary action Under the Act.

What costs are associated with a registration?

A yearly application fee and a registration fee must accompany the completed application for registration. The fees are determined by the number of vehicles the applicant registers. Registrations expire annually on August 31. Fees sunset three years after the effective date of the Act.

How much are the fees?

# of Vehicles	Application Fee	Annual Registration Fee	Total
1	\$25.00	\$100.00	\$125.00
2	\$25.00	\$150.00	\$175.00
3	\$25.00	\$200.00	\$225.00
4	\$25.00	\$250.00	\$275.00
5	\$25.00	\$300.00	\$325.00
6	\$25.00	\$350.00	\$375.00
7	\$25.00	\$400.00	\$425.00
8	\$25.00	\$450.00	\$475.00
9	\$25.00	\$500.00	\$525.00
10	\$25.00	\$550.00	\$575.00
11-25	\$50.00	\$1,000.00	\$1,050.00
26-100	\$100.00	\$2,500.00	\$2,600.00
101-500	\$100.00	\$5,000.00	\$5,100.00
501-1000	\$100.00	\$10,000.00	\$10,100.00
1001 or more	\$100.00	\$30,000.00	\$30,100.00

Are there any provisions that could prevent me from obtaining a registration?

Yes. You cannot obtain registration if any of the following is true:

- If you have more than four moving violations or one major violation in the three-year period before the date of your application;

- You have certain felony convictions in the last five years leading to the date of your application;
- If you are listed on the National Sex Offender Registry database;
- If you do not have a valid operator's license issued under the Michigan Vehicle Code or issued by another state; and
- If you are under 19 years of age.

Do I also have to have a chauffeur's license?

No. Public Act 348 of 2016, Section 6 (3)(i-k) amends the Michigan Vehicle Code to specify that "chauffeur" does not include a limousine, taxicab, or TNC driver.

Is a limousine or taxicab considered a "commercial vehicle?"

No. A limousine operated by a limousine driver, a taxicab operated by a taxicab driver, or a personal vehicle operated by a TNC driver is not considered a commercial vehicle which means that they are not required to obtain a chauffeur license.

What level of insurance am I required to have?

- For limousine carriers, bodily injury and property damage liability insurance with a minimum combined single limit of \$1 million for all persons injured or for property damage.
- For taxicab carriers, bodily injury and property damage liability insurance with a minimum combined single limit of \$300,000 for all persons injured or for property damage.
- When a TNC driver does not have a passenger in their vehicle they must have residual third party liability insurance in the amount of at least \$50,000 per person for death or bodily injury, \$100,000 per incident for death or bodily injury, and \$25,000 for property damage.
- When a TNC driver does have a passenger in their vehicle, they must maintain residual third party liability insurance with a minimum combined single limit of \$1 million for all bodily injury or property damage.

Do I have to show proof of insurance?

Yes. All limousine carriers, taxicab carriers, and TNCs must provide an annual statement regarding insurance coverage requirements.

Can I be audited?

Yes. LARA has authority to audit your records, but not more than two times per year. All background records of drivers are subject to audit by LARA at any time. The Act also designates several types of records as nonpublic records if produced for an audit and they meet certain other requirements.

Are there sanctions or penalties for not complying with this law?

Yes. A limousine carrier, taxicab carrier or TNC or an officer or agent of any of the three who requires or knowingly permits a driver to drive or operate a limo, taxicab or personal vehicle in violation of this rule or order promulgated or issued under this Act is guilty of a misdemeanor punishable by a fine of not more than \$1,000 per violation or imprisonment for not more than 90 days or both. LARA may also assess a fine against a person who violates the Act that covers the actual cost to the department of the investigation and enforcement of the violations, including attorney fees.

What state agency handles registration and administers the Limousine, Taxicab, and Transportation Network Company Act?

The Act is administered through the Commercial Licensing Division within the Corporations, Securities & Commercial Licensing Bureau of LARA.

Who do I call if I have questions?

You may call the Commercial Licensing Division at (517) 241-9221 or by e-mail at CSCOnline@michigan.gov. More information is available online at www.michigan.gov/tnc.

DISCLAIMER: The answers provided are not meant to be a substitute for legal advice.